



REDACTED - FOR PUBLIC INSPECTION

June 30, 2014

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Received & Inspected

JUN 27 2014

FCC Mail Room

Re: Connect America Fund, WC Docket No. 10-90, 47 CFR § 54.313 Annual Reporting Requirements for High-Cost Recipients (Form 481)

Dear Ms. Dortch:

Attached please find **Gorham Telephone Company's** (Gorham) (SAC 411778) high-cost support recipient annual report pursuant to 47 CFR § 54.313 (Form 481).

Gorham is filing certain financial information, reported pursuant to 47 CFR § 54.313(f)(2), as confidential under the November 16, 2012 Protective Order (DA 12-1857). Pursuant to that Order, each page of this filing has been marked "REDACTED - FOR PUBLIC INSPECTION." The non-redacted version of this information has been marked "CONFIDENTIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, GN DOCKET NO. 09-51, CC DOCKET NOS. 01-92, 96-45, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION." As such, Gorham requests that the non-redacted version of its submission be withheld from public inspection.

Gorham is also requesting confidential treatment of certain information being filed pursuant to 47 CFR § 54.202(a)(1)(ii) and 54.313(a)(1) (five year service quality improvement plan) under 47 CFR § 0.457 and 0.459. The redacted version of this filing has been marked "REDACTED - FOR PUBLIC INSPECTION." The non-redacted version has been marked "CONFIDENTIAL - NOT FOR PUBLIC INSPECTION."

Pursuant to 47 CFR § 0.459, Gorham offers the following in support of its request for confidential treatment of certain information.

- *Identification of the specific information for which confidential treatment is sought:* Gorham seeks confidential treatment of the five year service quality improvement plan required per 47 CFR § 54.202(a)(1)(ii) and 54.313(a)(1),
- *Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:* Gorham is providing the five year service quality improvement plan as part of its annual high-cost support recipient report per 47 CFR § 54.313.
- *Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:* Gorham considers the information to be highly sensitive in that it contains

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statements about the Company's future investment plans, and discusses specific equipment and strategies the Company will utilize to provide services.

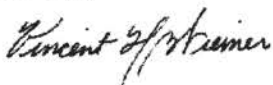
- *Explanation of the degree to which the information concerns a service that is subject to competition:* Gorham provides voice and broadband services that are in competition with various landline and wireless providers; thus, the investment data disclosed is related to services subject to competition to a high degree.
- *Identification of any measures taken by the submitting party to prevent unauthorized disclosure:* Gorham makes the data being provided available only to employees, consultants, and attorneys on a limited, need-to-know basis.
- *Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:* The information is not publicly available.
- *Justification of the period during which the submitting party asserts that material should not be available for public disclosure:* Gorham requests that the data provided be treated as confidential indefinitely. Due to the sensitive nature of the data, it would not be appropriate for public disclosure at any time in the foreseeable future.
- *Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidential treatment should be granted:* None.

Accordingly, Gorham requests confidential treatment of the five year service quality improvement plan pursuant to section 0.457 and 0.459 of the Commission's rules.

The redacted version of this Form 481 submission will be filed via the Commission's Electronic Comment Filing System (ECFS) in the above-captioned docket.

If you have any questions about this filing, please contact the undersigned.

Sincerely,



Vincent H. Wiemer
Alexicon, Inc.
(903) 440-2034

Attachment

cc: Charles Tyler
Telecommunications Access Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W., Room 5-A452
Washington, DC 20554

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2015
<030>	Contact Name: Person USAC should contact with questions about this data	Tonya Murphy
<035>	Contact Telephone Number: Number of the person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	tmurphy@gorhamtel.com

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ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
<100>	Service Quality Improvement Reporting (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200>	Outage Reporting (voice) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210>	<input checked="" type="checkbox"/> <-- check box if no outages to report	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300>	Unfulfilled Service Requests (voice) 0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310>	Detail on Attempts (voice) (attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320>	Unfulfilled Service Requests (broadband) 0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330>	Detail on Attempts (broadband) (attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400>	Number of Complaints per 1,000 customers (voice)		
<410>	Fixed 0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420>	Mobile 0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430>	Number of Complaints per 1,000 customers (broadband)		
<440>	Fixed 0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450>	Mobile 0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<500>	Service Quality Standards & Consumer Protection Rules Compliance (check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	411778ks510.pdf (attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600>	Functionality in Emergency Situations (check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610>	411778ks610.pdf (attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700>	Company Price Offerings (voice) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710>	Company Price Offerings (broadband) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800>	Operating Companies and Affiliates (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/> (if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000>	Voice Services Rate Comparability (check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010>	411778ks1010.pdf (attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100>	Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/> (if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200>	Terms and Condition for Lifeline Customers (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet			
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers			
<2000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet			
<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

411778ks112.pdf

Name of Attached Document

Please check these boxes below to confirm that the attached documents(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

✓
✓
✓
✓
✓
✓

(200) Service Outage Reporting (Voice)
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

[illegible]

(700) Price Offerings including Voice Rate Data
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

<701>	Residential Local Service Charge Effective Date	1/1/2014
<702>	Single State-wide Residential Local Service Charge	

[illegible]

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

[illegible]

(800) Operating Companies
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com
<810>	Reporting Carrier	Gorham Telephone Company
<811>	Holding Company	Gorham Communications, Inc.
<812>	Operating Company	Gorham Telephone Company

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010> Study Area Code 411778
 <015> Study Area Name GORHAM TEL CO
 <020> Program Year 2015
 <030> Contact Name - Person USAC should contact regarding this data Tonya Murphy
 <035> Contact Telephone Number - Number of person identified in data line <030> 7856375300 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> tmurphy@gorhamtel.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes
 to confirm the status described on the attached document(s), on line 920,
 demonstrates coordination with the Tribal government pursuant to
 § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal
 community anchor institutions.
 <922> Feasibility and sustainability planning;
 <923> Marketing services in a culturally sensitive manner;
 <924> Compliance with Rights of way processes
 <925> Compliance with Land Use permitting requirements
 <926> Compliance with Facilities Siting rules
 <927> Compliance with Environmental Review processes
 <928> Compliance with Cultural Preservation review processes
 <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes,No, NA)

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

<1120> Please check this box to confirm no terrestrial backhaul
options exist within the supported area pursuant to § 54.313(G) ☐

<1130> Please check this box to confirm the reporting carrier offers
broadband service of at least 1 Mbps downstream and 256 kbps
upstream within the supported area pursuant to § 54.313(G) ☐

(1200) Terms and Condition for Lifeline Customers

FCC Form 481

Lifeline

OMB Control No. 3060-0986/OMB Control No. 3060-0819

Data Collection Form

July 2013

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP http://www.gorhamtel.com/telephone/Lifeline_Linkup.html

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,

☒

<1222> Details on the number of minutes provided as part of the plan,

☒

<1223> Additional charges for toll calls, and rates for each such plan.

☒

(2000) Price Cap Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

July 2013

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
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<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
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<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
 <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

☐
☐
Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

<2012> 2013 Frozen Support Certification
 <2013> 2014 Frozen Support Certification
 <2014> 2015 Frozen Support Certification
 <2015> 2016 and future Frozen Support Certification

☐
☐
☐
☐
Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification Support Used to Build Broadband

☐
Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017> 3rd year Broadband Service Certification
 <2018> 5th year Broadband Service Certification
 <2019> Interim Progress Certification
 <2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

☐
☐
☐
☐

<2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	411778
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<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

- (3010) Progress Report on 5 Year Plan
Milestone Certification (47 CFR § 54.313(f)(1)(i))

Name of Attached Document Listing Required Information

- (3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

- (3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))

Name of Attached Document Listing Required Information

- (3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))
(3014) If yes, does your company file the RUS annual report

(Yes/No)

(Yes/No)

☒ ☒

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

- (3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)
(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☒
☒

- (3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

- (3018) If the response is no on line 3014, Is your company audited?

(Yes/No)

☐ ☐

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications ☐

- (3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

- (3021) Management letter issued by the independent certified public accountant that performed the company's financial audit. ☐

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, ☐

- (3023) Underlying information subjected to a review by an independent certified public accountant ☐

- (3024) Underlying information subjected to an officer certification. ☐

- (3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

- (3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

**Certification - Reporting Carrier
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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<039> Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:
Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients

I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.

Name of Reporting Carrier:

Signature of Authorized Officer:

Date

Printed name of Authorized Officer:

Title or position of Authorized Officer:

Telephone number of Authorized Officer:

Study Area Code of Reporting Carrier:

Filing Due Date for this form:

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	411778
<015> Study Area Name	GORHAM TEL CO
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Tonya Murphy
<035> Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Alexicon</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	Alexicon
Name of Reporting Carrier:	GORHAM TEL CO
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/26/2014
Printed name of Authorized Officer:	Tonya Murphy
Title or position of Authorized Officer:	Secr./Treas.
Telephone number of Authorized Officer:	7856375300 ext.
Study Area Code of Reporting Carrier:	411778 Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	GORHAM TEL CO
Name of Authorized Agent or Employee of Agent:	Josh Fondren
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 06/26/2014
Printed name of Authorized Agent or Employee of Agent:	Josh Fondren
Title or position of Authorized Agent or Employee of Agent:	Consultant
Telephone number of Authorized Agent or Employee of Agent:	9183769901 ext.
Study Area Code of Reporting Carrier:	411778 Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	411778
<015>	Study Area Name	GORHAM TEL CO
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<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhantel.com

<701> Residential Local Service Charge Effective Date
<702> Single State-wide Residential Local Service Charge

1/1/2014

<703>

[illegible]

(710) Broadband Price Offerings
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	411778
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<015>	Study Area Name	GORHAM TEL CO
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<020> Program Year	2015
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<030>	Contact Name - Person USAC should contact regarding this data	Tonya Murphy
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<035>	Contact Telephone Number - Number of person identified in data line <030>	7856375300 ext.
-------	---	-----------------

<039>	Contact Email Address - Email Address of person identified in data line <030>	tmurphy@gorhamtel.com
-------	---	-----------------------

<711>

<a1>

<a2>

(b1)

<b2>

<C>

<d1>

<d2>

<d3>

1998

<d4>

[illegible]

I. Discussion

Gorham Telephone Company (Gorham), an ETC designated by the Kansas Corporation Commission, hereby submits this five year service quality improvement plan (*Plan*) as required by 47 CFR § 54.313(a)(1) and 54.202 (a)(1)(ii). Gorham is an incumbent carrier with a service area in the state of Kansas, with 433 access lines in 4 exchanges serving approximately 396 square miles as of 12/31/2013. Gorham is a rate-of-return (RoR) regulated carrier.

The five year plan reflected herein represents Gorham's ongoing efforts to expand high quality, reasonably-priced voice and broadband services throughout its service area. Gorham has generated a five-year plan in compliance with the Federal Communication Commission's (Commission) rules, although the out years in the plan (years 3-5) are highly speculative in nature and thus will likely change, sometimes substantially, in future progress updates filed with the Commission. Reasons for the speculative nature of years 3-5 of the Plan include (1) the unknown nature of universal service support in those years, in light of the Commission's USF/ICC Transformation Order, (2) the difficulty in forecasting customer counts, demand, and other factors directly affecting network demand, and (3) the rapid pace of technological innovations in the communications industry makes it difficult to plan more than one or two years in advance with any degree of accuracy.

The Plan presented herein by necessity includes expenditures not directly tied to "improvements or upgrades" of Gorham's network, such as amounts for the maintenance and upkeep of existing telecommunications plant. In order for the Commission to accurately consider the capital and operating expenditures as related to and supported by the federal universal service programs, these types of costs are critical for such an understanding.

II. Initial Five Year Service Quality Improvement and Investment Plan

Gorham's service quality improvement and investment plan consists of two major components: (1) capital expenditures it sees as necessary to meet the voice and broadband public interest obligations as adopted by the Commission, state service quality and network build out requirements, and general upkeep and maintenance of its network; and (2) operating expenditures necessary to meet the same obligations (Gorham is not including any operating expenditures in its initial plan, but that is subject to change in future progress reports). It should be noted that Gorham (in conjunction with its Internet service provider affiliate) currently offers 4 meg downstream/1 meg upstream broadband Internet access service to 100% of the customers within its certificated service area. The following annual capital expenditure budget amounts reflect an even distribution of Gorham's total budget over the next five years.

Description	Exchange	2015	2016	2017	2018	2019
<u>Switching Equipment</u>						
	Gorham	\$ 11,590	\$ -	\$ -	\$ -	\$ -
	Waldo	\$ -	\$ -	\$ -	\$ -	\$ -
	Luray	\$ -	\$ -	\$ -	\$ -	\$ -
	Paradise	\$ -	\$ -	\$ -	\$ -	\$ -
	Totals	\$ 11,590	\$ -	\$ -	\$ -	\$ -

Gorham Telephone Company (SAC 411778)
Initial Five Year Service Quality Improvement Plan
For the Calendar Years 2015-2019
Per 47 CFR § 54.313(a)(1) and 54.202(a)(1)(ii)

Description	Exchange	2015	2016	2017	2018	2019
<u>Transmission Equipment</u>						
	Gorham	\$ 53,857	\$ 50,351	\$ 50,351	\$ 50,351	\$ 50,351
	Waldo	\$ 17,196	\$ 17,196	\$ 17,196	\$ 17,196	\$ 17,196
	Luray	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217	\$ 12,217
	Paradise	\$ 10,713	\$ 10,713	\$ 10,713	\$ 10,713	\$ 10,713
	Totals	\$ 93,983	\$ 90,477	\$ 90,477	\$ 90,477	\$ 90,477

Cable & Wire Facility

	Gorham	\$ -	\$ -	\$ -	\$ -	\$ -
	Waldo	\$ -	\$ -	\$ -	\$ -	\$ -
	Luray	\$ -	\$ -	\$ -	\$ -	\$ -
	Paradise	\$ -	\$ -	\$ -	\$ -	\$ -
	Totals	\$ -	\$ -	\$ -	\$ -	\$ -

General Support Facility

	Gorham	\$ 22,077	\$ 22,077	\$ 22,077	\$ 22,077	\$ 22,077
	Waldo	\$ -	\$ -	\$ -	\$ -	\$ -
	Luray	\$ -	\$ -	\$ -	\$ -	\$ -
	Paradise	\$ -	\$ -	\$ -	\$ -	\$ -
	Totals	\$ 22,077	\$ 22,077	\$ 22,077	\$ 22,077	\$ 22,077

<u>Added Operating Expenses</u>	unknown	unknown	unknown	unknown	unknown
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Investment Plan, 2015- 2019

Gorham will continue its upgrade and improvement of its original service area and the exchanges (Luray and Paradise) purchased from Sprint/United (now CenturyLink) over the next five years. Although the major outside plant upgrades are substantially complete, Gorham must still operate and maintain this plant, and has plans to upgrade several components of its switching and transmission platform. In addition, Gorham will invest in various general support facilities (GSF) over the next five years that are necessary for the operation and maintenance of its voice and broadband services network. The network additions, upgrades, and maintenance items reflected in the above estimated expenditures include:

- Upgrading its Taqua softswitch in order to be compatible with the new Calix transmission equipment (discussed below).
- Upgrading Calix access platform equipment to the new Calix E7 Ethernet Service Access Platform. This equipment will allow Gorham to deploy scalable higher bandwidth services in response to increasing customer demand.
- Upgrading current Brocade transmission equipment to allow for higher bandwidth and additional services
- Upgrade various service vehicles
- Upgrade various backup generators

These investments, along with any associated operating expenses, will affect all customers living within Gorham's service area, which covers approximately 396 square miles.

III. Considerations

The investment and service quality improvement plans discussed above were generated, in part, to meet or exceed the broadband public interest obligations adopted by the Commission. It should be noted that Gorham provides data transmission services; Internet access service is instead provided by a Gorham affiliate. The following statements are made with that consideration:

- *Speed* - at least 4 mbps downstream and 1 mbps upstream
- *Latency* - 100mS or less, sufficient for real-time applications
- *Capacity* - Gorham, as the ILEC, provides data transmission service, not Internet access service which is service is provided by an affiliate. However, to Gorham's knowledge, the affiliate-provided Internet access service has no capacity limitations to its customers.
- As an RoR-regulated carrier, Gorham is required pursuant to 47 CFR § 54.313(f)(1)(i) to provide broadband service at 4 meg/1 meg upon reasonable request and within a reasonable timeframe. As a result, the Plan contained herein takes into account this requirement by meeting all such requests for broadband service within the overall service guidelines adopted by the Kansas Corporation Commission.
- Gorham determines into which areas the extension of its network is feasible by analyzing relevant factors such as population, demand, costs, likely revenues, regulatory requirements, and availability of work force and materials.

Gorham Telephone Company (SAC 411778)

Statement Regarding Compliance with Service Quality Standards and Consumer Protection Rules

47 CFR § 54.313(a)(5)

Form 481, Line 510

Gorham Telephone Company (GTC) is an incumbent local exchange carrier operating in the state of Kansas, and is an eligible telecommunications carrier (ETC) designated by the Kansas Corporation Commission (KCC). As such, GTC is subject to the regulatory authority of the KCC and operates under the relevant rules and laws of the state of Kansas.

GTC is subject to the service quality standards and consumer protection standards adopted by the KCC and that are applicable to ILECs in the state of Kansas. These standards are contained in Orders adopted by the KCC in Docket No. 95-GIMT-047-GIT (specifically the KCC Order dated May 23, 2008) and Docket No. 06-GIMT-187-GIT. The consumer protection standards are also contained in GTC's local tariff that is on file with the KCC.

Apart from effective internal procedures and operations, GTC ensures compliance with all applicable service quality and consumer protection rules through KCC enforcement, which entails the operation of an effective customer complaint process. KCC is required to respond to customer complaints and other service quality-related inquiries from the KCC in a reasonable time frame. GTC consistently meets or exceeds all KCC-adopted standards, and reports to this effect via all required KCC processes.

Finally, GTC has established internal procedures to ensure compliance with the Federal Communications Commission's Customer Proprietary Network Information (CPNI) rules that include, but are not limited to, periodic employee training and maintenance of written company CPNI procedures. GTC certifies its compliance with the Commission's CPNI rules by making annual filings as required in 47 CFR § 64.2009(e).

Gorham Telephone Company (SAC 411778)

Statement Regarding the Ability to Function in Emergency Situations

47 CFR § 54.313(a)(6)

Form 481, Line 610

Gorham Telephone Company (GTC) is an incumbent local exchange carrier operating in the state of Kansas, and is an eligible telecommunications carrier (ETC) designated by the Kansas Corporation Commission (KCC). As such, GTC is subject to the regulatory authority of the KCC and operates under the relevant rules and laws of the state of Kansas.

GTC is subject to KCC rules regarding the ability to remain functional in emergency situations by (1) maintaining at least eight hours of backup power to ensure functionality without local alternating current (AC) commercial power, (2) establishing the ability to reroute traffic around damaged facilities and to manage traffic spikes resulting from emergency situations, and (3) establishing procedures for employees to follow in an emergency to prevent or minimize interruption or impairment of telecommunications services.

GTC has stationary generators at each exchange central office (4 total) and also 8 portable generators to be deployed if necessary for GTC's services. GTC's network is capable of rerouting traffic around damaged facilities, although this ability is not absolute and may be limited in certain circumstances. However, GTC follows all industry standard practices in ensuring its network remains functional during different types of emergency situations.

Gorham Telephone Company (SAC 411778)

Statement Regarding Voice Rate Comparability

47 C.F.R. § 54.313(a)(10)

Form 481, Line 1010

Gorham Telephone Company is a rural, rate of return regulated incumbent local exchange carrier operating in the state of Kansas, and is an eligible telecommunications carrier (ETC) designated by the Kansas Corporation Commission (KCC). As such, Gorham Telephone Company is subject to the regulatory authority of the KCC and operates under the relevant rules and laws of the state of Kansas.

Gorham Telephone Company hereby certifies that the pricing of its voice services is no more than two standard deviations above the national average urban rate for voice service, \$46.96, as specified in the March 20, 2014 Public Notice issued by the Wireline Competition Bureau of the Federal Communications Commission.

Gorham Telephone Company's residential voice service rates, including state fees and the federal subscriber line charge (SLC) are as follows.

Monthly rate for Gorham exchange is \$24.69.

Monthly rate for Waldo exchange is \$24.69.

Monthly rate for Luray exchange is \$25.74.

Monthly rate for Paradise exchange is \$25.74.

Average monthly rate is \$25.22.

<p style="text-align: center;">USDA-RUS</p> <p style="text-align: center;">OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p><i>This data will be used by RUS to review your financial situation. Your response is required by 7 CFR 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i></p> <p>BORROWER NAME</p> <p style="text-align: center;">Gorham Telephone Company</p> <p style="text-align: center;">(Prepared with Audited Data)</p>		
<p><small>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</small></p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"> PERIOD ENDING December, 2013 </td> <td style="width: 50%;"> BORROWER DESIGNATION KS0562 </td> </tr> </table>	PERIOD ENDING December, 2013	BORROWER DESIGNATION KS0562
PERIOD ENDING December, 2013	BORROWER DESIGNATION KS0562		

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII
(Check one of the following)

- ☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.
- ☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report.

Michael Murphy

3/26/2014

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	229,822	355,251	25. Accounts Payable	62,286	73,893
2. Cash-RUS Construction Fund	3	3	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	26,721	28,025
a. Telecom, Accounts Receivable			28. Customer Deposits	2,350	2,500
b. Other Accounts Receivable		58,304	29. Current Mat. L/T Debt	600,649	631,380
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	62,337	65,586	32. Income Taxes Accrued		
b. Other Accounts Receivable	151,953	181,224	33. Other Taxes Accrued	47,784	49,066
c. Notes Receivable			34. Other Current Liabilities	45,690	47,457
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	785,480	832,311
6. Material-Regulated	33,167	89,345	LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes	4,222,479	3,516,190
8. Prepayments	9,749	10,524	37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	487,031	760,237	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	1,712	1,712	46. Total Long-Term Debt (36 thru 45)	4,222,479	3,516,190
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities	93,927	55,913
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	1,712	1,712	50. Total Other Liabilities and Deferred Credits (47 thru 49)	93,927	55,913
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	8,350,852	8,345,666	51. Cap. Stock Outstand & Subscribed	4,140	4,140
19. Property Held for Future Use			52. Additional Paid-in-Capital	376,226	376,226
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill	687,550	687,550	54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	3,834,454	4,332,135	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	5,203,948	4,701,081	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	210,439	678,250
			58. Total Equity (51 thru 57)	590,805	1,058,616
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	5,692,691	5,463,030
	5,692,691	5,463,030			

Total Equity = 19.38% of Total Assets

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USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		KS0562	
		PERIOD ENDING	
INSTRUCTIONS- See RUS Bulletin 1744-2		December, 2013	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		632,469	713,797
2. Network Access Services Revenues		1,312,091	1,642,847
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues		14,711	13,712
5. Miscellaneous Revenues		15,498	13,395
6. Uncollectible Revenues		(40)	(240)
7. Net Operating Revenues (1 thru 5 less 6)		1,974,809	2,383,991
8. Plant Specific Operations Expense		438,763	473,876
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		18,388	29,501
10. Depreciation Expense		517,183	528,728
11. Amortization Expense			
12. Customer Operations Expense		69,683	61,336
13. Corporate Operations Expense		726,626	576,234
14. Total Operating Expenses (8 thru 13)		1,770,643	1,669,675
15. Operating Income or Margins (7 less 14)		204,166	714,316
16. Other Operating Income and Expenses			
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes		62,747	51,603
20. Total Operating Taxes (17+18+19)		62,747	51,603
21. Net Operating Income or Margins (15+16-20)		141,419	662,713
22. Interest on Funded Debt		257,055	228,338
23. Interest Expense - Capital Leases			
24. Other Interest Expense		1	2
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)		257,056	228,340
27. Nonoperating Net Income		3,997	950
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income		18,814	32,488
31. Total Net Income or Margins (21+27+28+29+30-26)		(92,826)	467,811
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year		303,265	210,439
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		210,439	678,250
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)		0	0
44. Annual Debt Service Payments		832,698	833,498
45. Cash Ratio [(14+20-10-11) / 7]		0.6665	0.5002
46. Operating Accrual Ratio [(14+20+26) / 7]		1.0586	0.8178
47. TIER [(31+26) / 26]		0.6389	3.0487
48. DSCR [(31+26+10+11) / 44]		0.8183	1.4696

USDA-RUS						BORROWER DESIGNATION KS0562	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS						PERIOD ENDED December, 2013	
INSTRUCTIONS - See RUS Bulletin 1744-2							
Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION							
EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Gorham	19.75	16.75	42	136	178	82.28	82.28
Waldo	19.75	16.75	12	45	57	62.46	62.46
Luray	28.75	17.80	35	95	130	67.18	67.18
Paradise	28.75	17.80	14	57	71	69.46	69.46
Mobile/Wireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			103	333	436	281.38	281.38
No. Exchanges	4						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS INSTRUCTIONS - See RUS Bulletin 1744-2						BORROWER DESIGNATION KS0562 PERIOD ENDED December, 2013		
Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION								
4. BROADBAND SERVICE								
Details on Least Expensive Broadband Service								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Gorham	178	103	1	768	384	88.40	Package	Fiber to the Home
Waldo	57	32	0	768	384	88.40	Package	Fiber to the Home
Luray	130	81	5	768	384	88.40	Package	Fiber to the Home
Paradise	71	42	2	768	384	88.40	Package	Fiber to the Home
Total	436	258						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS			BORROWER DESIGNATION KS0562 PERIOD ENDING December, 2013		
INSTRUCTIONS- See RUS Bulletin 1744-2					
PART D. SYSTEM DATA					
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile	
3	3	396	1.10	1.55	
PART E. TOLL DATA					
1. Study Area ID Code(s) a 411778 b _____ c _____ d _____ e _____ f _____ g _____ h _____ i _____ j _____		2. Types of Toll Settlements (Check one) <div style="display: flex; justify-content: space-between;"> <div> Interstate: <input type="checkbox"/> Average Schedule Intrastate: <input type="checkbox"/> Average Schedule </div> <div> <input checked="" type="checkbox"/> Cost Basis <input checked="" type="checkbox"/> Cost Basis </div> </div>			
PART F. FUNDS INVESTED IN PLANT DURING YEAR					
1. RUS, RTB, & FFB Loan Funds Expended					
2. Other Long-Term Loan Funds Expended					
3. Funds Expended Under RUS Interim Approval					
4. Other Short-Term Loan Funds Expended					
5. General Funds Expended (Other than Interim)					79,049
6. Salvaged Materials					
7. Contribution in Aid to Construction					
8. Gross Additions to Telecom. Plant (1 thru 7)					79,049
PART G. INVESTMENTS IN AFFILIATED COMPANIES					
INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

USDA-RUS
OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION
 KS0562

PERIOD ENDING
 December, 2013

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

☒ YES ☐ NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	26.27%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	23.98%
5. Land and support assets - Buildings	5.02%
6. Land and support assets - Furniture and Office equipment	19.57%
7. Land and support assets - General purpose computers	18.57%
8. Central Office Switching - Digital	11.58%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	16.00%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	16.00%
18. Cable and wire facilities - Poles	15.81%
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	5.38%
22. Cable and wire facilities - Underground cable - Fiber	5.38%
23. Cable and wire facilities - Buried cable - Metal	5.38%
24. Cable and wire facilities - Buried cable - Fiber	5.68%
25. Cable and wire facilities - Conduit systems	6.48%
26. Cable and wire facilities - Other	

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		KS0562	
		PERIOD ENDED December, 2013	
INSTRUCTIONS – See help in the online application			
PART I – STATEMENT OF CASH FLOWS			
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		229,825
CASH FLOWS FROM OPERATING ACTIVITIES			
2.	Net Income		467,811
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3.	Add: Depreciation		528,728
4.	Add: Amortization		0
5.	Other (Explain) See Audited Financial Statements		18,164
Changes in Operating Assets and Liabilities			
6.	Decrease/(Increase) in Accounts Receivable		(90,824)
7.	Decrease/(Increase) in Materials and Inventory		(56,178)
8.	Decrease/(Increase) in Prepayments and Deferred Charges		(775)
9.	Decrease/(Increase) in Other Current Assets		0
10.	Increase/(Decrease) in Accounts Payable		11,597
11.	Increase/(Decrease) in Advance Billings & Payments		1,304
12.	Increase/(Decrease) in Other Current Liabilities		3,049
13.	Net Cash Provided/(Used) by Operations		882,876
CASH FLOWS FROM FINANCING ACTIVITIES			
14.	Decrease/(Increase) in Notes Receivable		0
15.	Increase/(Decrease) in Notes Payable		0
16.	Increase/(Decrease) in Customer Deposits		150
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(675,558)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits		(38,014)
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		0
20.	Less: Payment of Dividends		0
21.	Less: Patronage Capital Credits Retired		0
22.	Other (Explain) See Audited Financial Statements		38,014
23.	Net Cash Provided/(Used) by Financing Activities		(675,408)
CASH FLOWS FROM INVESTING ACTIVITIES			
24.	Net Capital Expenditures (Property, Plant & Equipment)		5,186
25.	Other Long-Term Investments		0
26.	Other Noncurrent Assets & Jurisdictional Differences		0
27.	Other (Explain) See Audited Financial Statements		(87,225)
28.	Net Cash Provided/(Used) by Investing Activities		(82,039)
29.	Net Increase/(Decrease) in Cash		125,429
30.	Ending Cash		355,254

Revision Date 2010

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION KS0562
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2013
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION KS0562
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2013
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	